

**Franchise Tax Board****NO ANALYSIS REQUIRED**Author: Burton Analyst: Colin Stevens Bill Number: SB 1239Related Bills: See Prior Analysis Telephone: 845-3036 Amended Date: 4/5/99Attorney: Doug Bramhall Sponsor: Charles Schwab**SUBJECT:** Exemption/Alien Corporation Qualifying Investment Security Income/Doesn't Apply To Corporations In Unitary Business

- ☐ ANALYSIS NOT REQUIRED of this bill -- Not within scope of responsibility of this department.
- ☐ TECHNICAL BILL -- No program or fiscal changes to existing program.
- ☐ BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.
- ☐ TECHNICAL AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is \_\_\_\_\_.
- ☐ MINOR AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is \_\_\_\_\_.
- ☐ MINOR AMENDMENT - No change in approved position of \_\_\_\_\_. See comments below.
- ☒ OTHER - See comments below.

**COMMENTS:**

Under the Bank and Corporation Tax Law (B&CTL), this bill would provide that income, gain or loss from stocks or securities received by an alien corporation, as defined, whose sole activity in this state is derived from trading stocks or securities for its own account, as defined under federal law, would not be treated as income derived from California sources and that the alien corporation would not be considered as doing business in this state.

The April 5, 1999, amendments adopted the provisions discussed in the department's analysis of the bill as proposed to be amended.

The department's analysis of the bill as proposed to be amended still applies.

**Board Position:**

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

Franchise Tax Board Staff

Date

**Colin Stevens****4/19/1999**